

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
FARMDALE WATER DISTRICT)	CASE NO. 90-309

O R D E R

On September 26, 1990, Farmdale Water District ("Farmdale") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. On October 9, 1990, the Commission requested that additional information be filed. Subsequently, on October 11, 1990, Farmdale filed the required information, and the record is now complete.

The Commission, having reviewed the evidence of record and being sufficiently advised, finds:

1. Farmdale's supplier, Frankfort Electric and Water Plant Board ("Frankfort"), increased its rates for wholesale water from 80 cents to 90 cents per 1,000 gallons effective with the water bill due October 15, 1990 for services rendered from August 1 through August 31, 1990.

2. During the 12 months ending August 31, 1990, Farmdale purchased 120,513,700 gallons from Meter No. 1, 63,463,500 from Meter No. 2, and 2,837,900 gallons from Meter No. 3 for a total of 186,815,100 gallons, and sold 154,785,700 gallons.

3. The increase in Farmdale's purchased water costs is \$18,682, resulting in a purchased water adjustment of 12 cents per 1,000 gallons of water.

4. The purchased water adjustment of 12 cents per 1,000 gallons and the rates proposed by Farmdale and shown in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

5. Farmdale billed its adjusted rates to its customers based on meter readings taken between September 10 and September 17, 1990 which reflect service rendered beginning August 16, 1990. KRS 278.015 allows a water district to adjust the rates to its customers commensurate with an increase from its supplier without prior Commission approval provided a revised tariff sheet, a copy of the supplier's notice and the water purchases upon which the increase is based are filed with the Commission within 20 days of the increase to its customers. Therefore, Farmdale is authorized to charge the adjusted rates for a maximum of 20 days prior to its September 26, 1990 filing with the Commission. Farmdale's adjusted rates should be made effective for services rendered on and after September 6, 1990.

6. Any revenue collected by Farmdale as a result of the increase for services rendered prior to September 6, 1990 should be refunded.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 12 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after September 6, 1990.

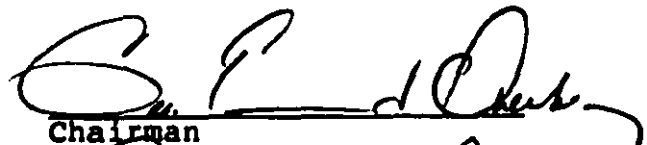
2. Within 30 days of the date of this Order, Farmdale shall refund to its customers any revenue which has been collected as a result of the increased rates for services rendered prior to September 6, 1990. Within 10 days thereafter, Farmdale shall file a statement with the Commission showing the dates of refunds, the amounts of refunds, and the customers to whom refunds were made.

3. Within 30 days of the date of this Order, Farmdale shall file a revised tariff, signed by the appropriate utility officer, setting out the rates approved herein and the correct effective date.

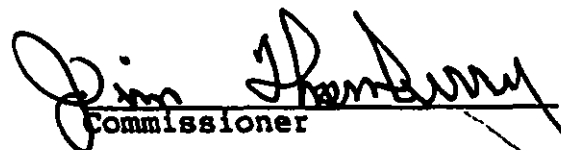
4. Within 20 days of the date of this Order, Farmdale shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 26th day of October, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-309 DATED 10/26/90

The following rates and charges are prescribed for the customers in the area served by Farmdale Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Domestic Consumers (other than trailer courts)

5/8" x 3/4" Meters

First 2,000 gallons	\$6.92 Minimum Bill
Next 3,000 gallons	1.96 per 1,000 gallons
Next 5,000 gallons	1.46 per 1,000 gallons
Over 10,000 gallons	1.26 per 1,000 gallons

1" Meters

First 7,000 gallons	\$15.72 Minimum Bill
Next 3,000 gallons	1.46 per 1,000 gallons
Next 140,000 gallons	1.26 per 1,000 gallons
Over 150,000 gallons	1.01 per 1,000 gallons

Commercial Consumers (Stewart Home) Rates: Monthly

First 7,000 gallons	\$15.72 Minimum Bill
Next 3,000 gallons	1.46 per 1,000 gallons
Next 140,000 gallons	1.26 per 1,000 gallons
Over 150,000 gallons	1.01 per 1,000 gallons

Industrial Consumers (Trigometer, Inc.) Rates: Monthly

First 7,000 gallons	\$15.72 Minimum Bill
Next 3,000 gallons	1.46 per 1,000 gallons
Next 140,000 gallons	1.26 per 1,000 gallons
Over 150,000 gallons	1.01 per 1,000 gallons